Introduction

On May 15–17, 1998, a conference on ‘Bequests and Wealth Taxation’ was held under the auspices of the International Seminar in Public Economics (ISPE) at the University of Liege in Belgium. The conference was organized by Pierre Pestieau, and the papers included in this issue of the Journal of Public Economics are among those that were presented at the meeting. We have subjected all of these papers to the usual refereeing and editorial process of the Journal of Public Economics.

The importance of intergenerational transfers in wealth accumulation wealth inequality, the impact of public policies such as taxation on such transfers, and the motives that ultimately drive wealth transfers have been active research issues for decades. The ten papers in this issue present important new research findings on each of these issues. They present new theoretical findings on the economic consequences of estate taxation, new simulation findings on the importance of bequests and other intergenerational transfers in contributing to wealth inequality, cross-national comparisons of household transfer behavior, and analysis of wealth taxation in a dynamic setting. Taken together, these studies represent a substantial step forward in the economic analysis of intergenerational transfers.

The papers resolve some issues, but they leave others unanswered. There is still research controversy about the reasons households make intergenerational transfers, and the importance of altruistic as opposed to unintended bequests. Transfer behavior differs across countries, and existing models do not seem to be fully capable of explaining the disparities. Further work remains to be done in linking empirical findings to the analytical insights from theoretical models, and thereby evaluating the impact of taxes and other public policies. We hope that future work will tackle these and other issues.

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